

6. There is no formula for budget cutting that can be agreed upon. The military, Social Security, defense contractors, welfare, etc., all have a bottomless need for money, as do thousands of government departments.

A fresh, firm plan based on equality is needed. The public will accept fairness. To date, there never has been fairness in the Tax Code.

#### THE PLAN

1. A Constitutional Amendment must be passed that requires a balanced budget.

2. Prior to the Amendment, Congress should immediately pass a law or establish a policy that says:

2.1 The National Budget cannot exceed 90% of last year's revenue.

2.2 Revenues in excess of the budget must be applied to debt reduction.

2.3 When all National debt is paid off and there is one year's budget (minimum) in the Treasury, then the annual budget cannot exceed last year's revenue.

3. Since no one will ever agree on whose budget is to be cut, the only thing that will work is to cut all department budgets equally. Then everyone has an equally valid complaint.

No doubt it will hurt—we need to live within our means. People are reasonable and can be convinced to accept this.

If possible, the military cut should be more than the other cuts: 1.1 to 2.0 times the percentage cuts of other major departments. This would be a tough thing to "sell," but would free up a huge sum of money.

#### REVENUE

There shall be a National Sales Tax of 1% of sales. This tax will be imposed on every sale by every business. To work, there can be no exceptions (wholesale, retail, professionals, doctors, dentists, lawyers, engineers, architects, inter-corporation transfers where P&L centers exist, etc.)

The tax will be added to every transaction and is to be paid by the buyer. Companies who never pay Federal taxes will now be making a contribution through their purchases. The 1% sales tax thus is 1% tax on the Gross National Product. The money is to be paid within 14 days after it is collected. The money is to be deposited into local Federal bank accounts. Banks who collect the money will be allowed to keep the deposits 2 weeks for their trouble, before forward it to the Treasury.

The Treasury must use this revenue to retire outstanding debt only.

#### Benefits:

1. We now have a steady flow of cash into the Treasury 52 weeks per year.

2. Minimum paper work and collection expense. We have an almost real time measure on the nation's economy week by week.

3. There are to be NO LOOP HOLES in this tax or it won't work.

4. The paper work load on business will be minimal—

Funds received from gross sales this week 0.01=tax due next week.

No complex accounting is required; just a simple deposit to a local Federal Bank account. The IRS is out of the loop; they will not be needed.

#### LONG TERM FUND COLLECTIONS

After the 1% sales tax has been running for one or two years, all the kinks will be worked out and we now have a clear real time picture of the Nation's economy. We will eliminate most of the effort now used to try to figure out where the country is, based on gathering a lot of data from many sources

that is history. Because a lot of businesses, such as wholesale businesses, don't pay sales tax, there is no direct way to monitor business activity.

Revenue from the IRS will be compared to Sale Tax Revenue. It will be a simple calculation to see what National Sales Tax is required to generate the revenue collected by the IRS.

The sales tax can be raised and the income tax eliminated. No more IRS. No more taxes on capital gains, etc. No more complex accounting.

This change will lower business accounting costs, depreciation accounting, etc. Federal revenue collected will increase and taxpayer hidden costs will decrease. It will be totally fair. Everyone will share the cost of Federal Government.

Again—this plan can only work if there are no exemptions.

#### PERSONAL EXPLANATION

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1996

Mr. SERRANO. Mr. Speaker, I was unavoidably detained yesterday evening, May 14, 1996, and missed two votes on amendments to H.R. 3230, the national defense authorization bill for fiscal year 1997.

Had I been present I would have voted in favor of Congresswoman DELAURO's amendment to delete provisions that prohibit privately funded abortions at Defense Department hospitals overseas. I would also have voted in favor of Congressman SHAYS' amendment to require the President to seek increased cash contributions from U.S. allies to fund the non-salary costs of U.S. troops permanently stationed in their countries.

#### TEMPLE BETH-EL CELEBRATING 130 YEARS OF SERVICE

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1996

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to Temple Beth-El of Jersey City, NJ, celebrating the 130th anniversary of its founding. The temple also celebrates the 70th anniversary of the dedication of its magnificent sanctuary. A Sabbath service rededicating the sanctuary will be held on May 17, 1996, and a gala dinner party will be held on May 18, 1996.

In the mid- to late-1860's a small group of Jewish worshippers in Jersey City began to congregate for prayer and study. Soon thereafter, the congregation began to grow and this culminated in the formation of the Isaac Ephraim Congregation. Finally, in 1871 the congregation adopted the name Temple Beth-El.

Over the years, Temple Beth-El has grown and flourished as a prominent religious and educational institution. The selection of Rabbi Samuel A. Berman, now Rabbi Emeritus, to join Temple Beth-El in 1936 proved to be an

important decision. For 60 years Rabbi Berman has been bringing his enthusiasm, innate sense of spirituality, and devotion to Jewish learning into the temple. He created and implemented many new programs within the temple to assist its members.

The temple, headed now by Rabbi Kenneth Brickman since 1989, offers many educational and support programs for the Jewish people. The nursery school, in cooperation with the Jewish Community Center, the Violet Zall-Hordes Mishpacha Family Education Program and the Sunday School allow young Jewish families to learn, appreciate, and enjoy their rich tradition. The Violet Zall-Hordes Lecture Series provides the adult Jewish community with an opportunity to enhance and learn more about their heritage and history. Members of the temple were active in the civil rights movement in the 1960's and remain committed to the message of Dr. Martin Luther King, Jr. Every year on the national holiday marking Dr. King's birth temple members and representatives of the African-American community join together for a celebration. In addition to Rabbi Brickman, the temple has been blessed with the leadership of Irwin Rosen, who has worked tirelessly for the membership.

I ask that my colleagues join me in honoring Temple Beth-El for its commitment to its members and the community at large. Temple Beth-El is a place that offers hope and love for all those seeking a divine embrace.

#### HONORING THE CENTRAL DISTRICT VOLUNTEER FIRE DEPARTMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 16, 1996

Mr. GORDON. Mr. Speaker, I am taking this opportunity to applaud the invaluable services provided by the Central District Volunteer Fire Department. These brave, civic-minded people give freely of their time so that we may all feel safer at night.

Few realize the depth of training and hard work that goes into being a volunteer firefighter. To quote one of my local volunteers, "These firemen must have an overwhelming desire to do for others while expecting nothing in return."

Preparation includes twice-monthly training programs in which they have live drills, study the latest videos featuring the latest in firefighting tactics, as well as attend seminars where they can obtain the knowledge they need to save lives. Within a year of becoming a volunteer firefighter, most attend the Tennessee fire training school in Murfreesboro where they undergo further, intensified training.

When the residents of my district go to bed at night, they know that should disaster strike and their home catch fire, well-trained and qualified volunteer fire departments are ready and willing to give so graciously and generously of themselves. This peace of mind should not be taken for granted.

By selflessly giving of themselves, they ensure a safer future for us all. We owe these volunteer fire departments a debt of gratitude for their service and sacrifice.